

***Retail Management: A Strategic Approach, 13e (Berman/Evans/Chatterjee)***

**Chapter 1 An Introduction to Retailing**

1) Which of the following activities does not fit within the scope of retailing?

- A) medical services to families
- B) direct-to-home sales
- C) vending purchases by factory workers
- D) sales to wholesalers

Answer: D

Difficulty: Challenging

Skill: Terminology/Concept

2) Which statement concerning retailing is correct?

- A) Retailing activities must involve a store.
- B) Retailing activities do not have to include a retailer.
- C) Retailing activities cannot be performed by a wholesaler.
- D) Retailing activities involve goods, not services.

Answer: B

Difficulty: Challenging

Skill: Terminology/Concept

3) According to the Department of Commerce, annual U.S. retail store sales are about \_\_\_\_\_.

- A) \$200 billion
- B) \$1.5 trillion
- C) \$3.5 trillion
- D) \$5.0 trillion

Answer: D

Difficulty: Moderate

Skill: Terminology/Concept

4) About how many people are employed by traditional retailers in the United States?

- A) 11 million
- B) 15 million
- C) 25 million
- D) 34 million

Answer: B

Difficulty: Moderate

Skill: Terminology/Concept

5) Data on U.S. retail employment understates actual employment because it does not include \_\_\_\_\_.

- A) store or department managers
- B) part-time personnel
- C) seasonal employees and unreported workers in family businesses or partnerships
- D) teenagers under 18 who are full-time students

Answer: C

Difficulty: Moderate

Skill: Terminology/Concept

6) The largest company in the world based on sales is \_\_\_\_\_.

- A) ExxonMobil
- B) Sears Roebuck
- C) Marks & Spencer
- D) Walmart

Answer: C

Difficulty: Moderate

Skill: Terminology/Concept

7) In 2015, the four largest retailing companies (in order of size from largest to fourth largest on the basis of sales) were \_\_\_\_\_.

- A) Walmart, Sears, Safeway, and J.C. Penney
- B) Walmart, Kroger, Costco, and Home Depot
- C) Walmart, Kmart, Kroger, and Federated Department Stores
- D) Walmart, Woolworth, Kroger, and Kmart

Answer: B

Difficulty: Moderate

Skill: Terminology/Concept

8) On the average, \_\_\_\_\_ percent of every sales dollar goes to department stores as payment for the activities they perform.

- A) 12
- B) 18
- C) 36
- D) 50

Answer: C

Difficulty: Moderate

Skill: Terminology/Concept

9) In 2015, the pre-tax profits for department stores averaged about \_\_\_\_\_ percent of sales.

- A) 0.5
- B) 1.0
- C) 2.1
- D) 3.5

Answer: C

Difficulty: Moderate

Skill: Terminology/Concept

10) The channel of distribution consists of \_\_\_\_\_.

- A) the movement of goods and services from manufacturer to consumer-user
- B) all of the businesses and people involved in the physical movement and transfer of ownership of goods and services from producer to consumer
- C) all independent intermediaries involved with the transfer of title of goods and services
- D) all middlemen involved with the physical movement of goods and services

Answer: B

Difficulty: Moderate

Skill: Terminology/Concept

11) Which of the following is generally not considered a party in a typical channel of distribution?

- A) retailer
- B) final consumer
- C) wholesaler
- D) advertising agency

Answer: D

Difficulty: Moderate

Skill: Terminology/Concept

12) A retailer sells to multiple retail formats and multiple points of contact. This illustrates \_\_\_\_\_.

- A) vertical integration
- B) the sorting process
- C) omnichannel retailing
- D) the importance of impulse retailing

Answer: C

Difficulty: Moderate

Skill: Terminology/Concept

13) A retailer collects an assortment of goods and services from various sources, buys in large quantities, and sells in small amounts to final consumers. This is referred to as \_\_\_\_\_.

- A) one-stop shopping
- B) the retail concept
- C) retail transactional efficiency
- D) the sorting process

Answer: D

Difficulty: Moderate

Skill: Terminology/Concept

14) The sorting process helps final consumers through \_\_\_\_\_.

- A) allowing store credit
- B) providing one-stop shopping convenience
- C) operating long hours
- D) providing delivery services

Answer: B

Difficulty: Challenging

Skill: Terminology/Concept

15) The sorting process helps manufacturers by \_\_\_\_\_.

- A) paying on the basis of when goods are shipped, not sold
- B) offering an assortment of goods that are collected from a large number of suppliers
- C) enabling one-stop shopping
- D) buying large orders at one time

Answer: D

Difficulty: Challenging

Skill: Terminology/Concept

16) Manufacturers can increase their power in a distribution channel through \_\_\_\_\_.

- A) operating their own retail facilities
- B) developing dealer brands
- C) expanding into foreign markets
- D) use of intensive distribution

Answer: A

Difficulty: Challenging

Skill: Terminology/Concept

17) Retailers have increased their power in the channel of distribution due to \_\_\_\_\_.

- A) the growing number of regional and national chains
- B) the growth of franchising as an alternative to independent ownership
- C) the increased market share of national brands
- D) shopping center contract provisions' limiting the range of goods to be sold

Answer: A

Difficulty: Challenging

Skill: Terminology/Concept

18) Channel relations tend to be the smoothest in \_\_\_\_\_ distribution.

- A) exclusive
- B) selective
- C) intensive
- D) wide

Answer: A

Difficulty: Moderate

Skill: Terminology/Concept

- 19) In exclusive distribution, suppliers enter into agreements with \_\_\_\_\_.  
A) multiple retailers that designate the latter as the only companies in specified geographic areas that are allowed to carry certain brands and/or product lines  
B) one or a few retailers that designate the latter as the only ones in specified geographic areas to carry certain brands or product lines  
C) any retailer with ample credit that designates the latter to be allowed to carry certain brands and/or product lines  
D) a retailer stating that the retailer cannot carry any competing product lines as a precondition for receiving favorable discounts

Answer: B

Difficulty: Challenging

Skill: Terminology/Concept

- 20) A retailer often must limit its selection of brands in \_\_\_\_\_ distribution.

- A) wide
- B) intensive
- C) selective
- D) exclusive

Answer: D

Difficulty: Challenging

Skill: Terminology/Concept

- 21) Which form of distribution has the effect of most severely limiting a manufacturer's long-run sales potential?

- A) intensive distribution
- B) selective distribution
- C) dual distribution
- D) exclusive distribution

Answer: D

Difficulty: Moderate

Skill: Terminology/Concept

- 22) A manufacturer seeking to maximize its sales should utilize \_\_\_\_\_ distribution.

- A) intensive
- B) dual
- C) exclusive
- D) selective

Answer: A

Difficulty: Challenging

Skill: Terminology/Concept

23) Competition among retailers selling the same goods and services is highest in which form of distribution?

- A) intensive distribution
- B) exclusive distribution
- C) selective distribution
- D) vertical integration

Answer: A

Difficulty: Challenging

Skill: Terminology/Concept

24) Suppliers sell through a moderate number of retailers in \_\_\_\_\_ distribution.

- A) intensive
- B) dual
- C) exclusive
- D) selective

Answer: D

Difficulty: Moderate

Skill: Terminology/Concept

25) Point-of-purchase displays and the placement of goods in visible, high-traffic store locations are important in retailing because of the need to \_\_\_\_\_.

- A) sell services to a broad target market
- B) generate impulse sales
- C) minimize the need for warehouse space
- D) limit pilferage to an acceptable level

Answer: B

Difficulty: Challenging

Skill: Terminology/Concept

26) A retail strategy is \_\_\_\_\_.

- A) the overall plan guiding a retail firm
- B) the choice and satisfaction of a target market
- C) an integrated effort by a retailer
- D) a goal-directed effort by a retailer

Answer: A

Difficulty: Moderate

Skill: Terminology/Concept

27) The first stage in development of a retail strategy should be to \_\_\_\_\_.

- A) develop an overall long-run plan
- B) decide on the appropriate target market
- C) determine the type of business and specific orientation of the firm
- D) implement an integrated strategy

Answer: C

Difficulty: Moderate

Skill: Terminology/Concept

28) Which factor has had the greatest impact on the success of Home Depot?

- A) its low pricing strategy
- B) its development and use of a retail strategic plan
- C) its excellent physical distribution systems
- D) its outstanding customer service

Answer: B

Difficulty: Moderate

Skill: Terminology/Concept

29) Which statement concerning Home Depot's retail strategy is not correct?

- A) Home Depot targets multiple segments.
- B) Home Depot continuously innovates.
- C) Despite its success, Home Depot has not done a good job of positioning itself.
- D) Home Depot has never lost sight of its low price orientation.

Answer: C

Difficulty: Challenging

Skill: Terminology/Concept

30) The retailing concept is comprised of \_\_\_\_\_.

- A) objectives, implementable actions, feedback, and strategy adjustment
- B) short- and long-term objectives, organization mission, and the development of a competitive defensible strategy
- C) customer orientation, coordinated effort, value-driven, and goal orientation
- D) niche strategy, cost leadership, and focus

Answer: C

Difficulty: Moderate

Skill: Terminology/Concept

31) All of the elements in a retail offering that encourage or inhibit consumers during their contact with a given retailer comprises \_\_\_\_\_.

- A) store atmosphere
- B) the retail concept
- C) the total retail experience
- D) retail image

Answer: C

Difficulty: Moderate

Skill: Terminology/Concept

32) Which of the following is not part of the total retail experience for a men's clothing retailer?

- A) offering store credit
- B) corporate form of ownership
- C) the store's atmosphere
- D) the brands carried

Answer: A

Difficulty: Challenging

Skill: Terminology/Concept

33) The identifiable, but sometimes intangible, activities undertaken by a retailer in conjunction with the basic goods and services it sells is referred to as \_\_\_\_\_.

- A) the retailing concept
- B) the total retail experience
- C) relationship retailing
- D) customer service

Answer: D

Difficulty: Moderate

Skill: Terminology/Concept

34) A characteristic of relationship retailing is \_\_\_\_\_.

- A) reliance on a database of current customers
- B) search for new customers
- C) constant bargaining between customers and suppliers
- D) low trust among channel members

Answer: A

Difficulty: Challenging

Skill: Terminology/Concept

35) The underlying principle of a strategic approach to the study of retailing is that a firm needs to \_\_\_\_\_.

- A) be a low-cost provider
- B) base all of its decisions on retail research
- C) be aware of opportunities and constraints in decision making
- D) plan for and adapt to a complex, changing retail environment

Answer: D

Difficulty: Challenging

Skill: Terminology/Concept

36) Which of the following illustrates a retail transaction?

- A) a supermarket purchasing a computer system to improve its inventory management
- B) a discount retailer signing a 10-year lease on a new store location
- C) a wholesaler selling new windows to a home improvement center for resale to homeowners
- D) an attorney purchasing a computer in conjunction with a hobby

Answer: D

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

37) Which statement concerning retailing is not correct?

- A) Retailing involves both goods and services.
- B) Retailing must involve a retailer.
- C) Direct selling is part of retailing.
- D) Retailing is the final stage in a channel of distribution.

Answer: B

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative



38) An optical chain purchasing goods from dozens of vendors (these include frame companies, lens firms, sunglass manufacturers, and eyeglass case firms) demonstrates \_\_\_\_\_.

- A) a channel of distribution
- B) economies of scale
- C) vertical integration
- D) the sorting process

Answer: D

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

39) Without the sorting process, final customers would \_\_\_\_\_.

- A) not purchase goods on impulse
- B) not receive credit
- C) have to shop at individual manufacturers
- D) require fewer transactions to complete a purchase

Answer: C

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

40) The sorting process enables manufacturers to \_\_\_\_\_.

- A) specialize in the production and marketing of a narrow product line
- B) vertically integrate
- C) increase their channel control over retailers
- D) dictate final selling prices to retailers

Answer: A

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

41) Consumers are able to shop in a "one-stop shopping environment" due to the \_\_\_\_\_.

- A) increased size of stores
- B) development of franchising
- C) sorting process
- D) development of prototype stores

Answer: C

Difficulty: Moderate

Skill: Applied/Comprehensive/Integrative

42) A retailer is able to appeal to different target markets, as well as reach consumers through points of contact, through engaging in \_\_\_\_\_.

- A) Web sales
- B) omnichannel retailing
- C) relationship retailing
- D) vertical integration

Answer: B

Difficulty: Moderate

Skill: Applied/Comprehensive/Integrative

43) An example of the contrasting viewpoints of retailers and manufacturers is a \_\_\_\_\_.

- A) manufacturer-sponsored cooperative advertising program
- B) manufacturer attempting to increase national brand display space
- C) manufacturer sponsoring training programs for retail sales personnel
- D) manufacturer sponsoring point-of-purchase materials

Answer: B

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

44) Channel cooperation and control is greatest when \_\_\_\_\_.

- A) intensive distribution is utilized
- B) selective distribution is utilized
- C) exclusive distribution is utilized
- D) manufacturers own and operate their own retailing facilities

Answer: D

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

45) In which form of distribution do retailers typically agree to limit their assortment of brands in a selected product category?

- A) intensive
- B) dual
- C) exclusive
- D) selective

Answer: C

Difficulty: Moderate

Skill: Applied/Comprehensive/Integrative

46) A manufacturer seeking maximum retailer cooperation should utilize which form of distribution?

- A) exclusive distribution
- B) intensive distribution
- C) selective distribution
- D) dual distribution

Answer: A

Difficulty: Moderate

Skill: Applied/Comprehensive/Integrative

47) Retail price competition is generally lowest in \_\_\_\_\_ distribution.

- A) dual
- B) exclusive
- C) intensive
- D) selective

Answer: B

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

48) The greatest advantage to a manufacturer's use of exclusive distribution is \_\_\_\_\_.

- A) a high level of retail price competition
- B) close channel cooperation
- C) maximizing long-run sales potential
- D) convenience of location to customers

Answer: B

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

49) The potential for channel conflict (due to the high power of a retailer relative to a manufacturer) is least in which form of distribution?

- A) dual distribution
- B) exclusive distribution
- C) selective distribution
- D) intensive distribution

Answer: B

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

50) Retail price competition is generally highest in \_\_\_\_\_ distribution.

- A) dual
- B) exclusive
- C) intensive
- D) selective

Answer: C

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

51) Convenience goods are generally marketed using \_\_\_\_\_ distribution.

- A) dual
- B) exclusive
- C) selective
- D) intensive

Answer: D

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

52) Neither channel cooperation nor long-term sales potential is maximized in \_\_\_\_\_ distribution.

- A) vertical
- B) exclusive
- C) intensive
- D) selective

Answer: D

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

53) The training of personnel to sell related merchandise (such as batteries, a case, and extra film with a camera) represents an attempt to maximize \_\_\_\_\_.

- A) impulse sales
- B) manufacturer cooperation
- C) self-service merchandising
- D) the number of customers drawn to a store

Answer: A

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

54) Point-of-purchase displays, self-service merchandising, and the use of high-traffic locations to place selected goods represents an attempt by retailers to \_\_\_\_\_.

- A) control expenses
- B) increase the number of potential shoppers who enter a retail store
- C) reduce inventory levels
- D) increase impulse sales

Answer: D

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

55) Loss leaders, weekly promotions, an excellent location, and special events (such as cooking classes) are more common in retailing than in wholesaling because \_\_\_\_\_.

- A) profit margins in retailing are higher than in wholesaling
- B) retailing is the final stage in the channel of distribution
- C) most retail customers must be drawn to a store location
- D) the average sale in retailing is smaller than in wholesaling

Answer: C

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

56) Retailers typically study prospective locations in terms of the characteristics of shoppers, neighboring retailers, pedestrian traffic counts by day of week and hour, and parking facilities. This intensive analysis is due to the \_\_\_\_\_.

- A) importance of impulse sales to all retailers
- B) long-term nature of retail leases
- C) high rent charged for store locations
- D) need to attract consumers to a store location

Answer: D

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

- 57) Which statement concerning strategic planning is correct?
- A) Strategic plans can be best used by large retailers.
  - B) Strategic planning should be conducted on an annual basis.
  - C) Strategic plans should emphasize attracting customers via price-oriented promotions.
  - D) Strategic planning is a continuous process.

Answer: D

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

- 58) Strategic planning in retailing \_\_\_\_\_.  
A) can be practiced by both small and large retailers  
B) requires a comprehensive computer-based marketing information system to be properly implemented  
C) should focus on short-run opportunities  
D) requires the use of planning specialists with MBA degrees to succeed

Answer: A

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

- 59) A characteristic of a retail strategy is its \_\_\_\_\_.  
A) attention to personnel availability and training  
B) attention to short-run success  
C) systematic assessment of the environment to ascertain opportunities and threats  
D) focus on past operations and success

Answer: C

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

- 60) The selection of an appropriate target market by a retailer relates to which element of the retailing concept?  
A) goal orientation  
B) customer orientation  
C) coordinated effort  
D) value orientation

Answer: B

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

61) An off-price chain specializing in fashion merchandise at deep discounts uses low-rent locations, self-service merchandising, and inexpensive fixtures. Alterations are not available and merchandise can be returned for store credit only. The chain illustrates which element of the retailing concept?

- A) customer orientation
- B) coordinated effort
- C) competitive intelligence
- D) goal orientation

Answer: B

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

62) A major home improvement retailer desires to increase its sales at the rate of 20 percent per year. This requires new stores in existing markets (to increase market penetration), renovation of existing stores that are over seven years old, and entrance into new domestic and foreign markets. The retailer also plans to pay increased attention to the female do-it-yourself segment of its market by hiring more female salespeople, gearing workshops on home repair to women, and providing delivery service at a small fee. This illustrates \_\_\_\_\_.

- A) goal orientation
- B) customer orientation
- C) coordinated effort
- D) the retailing concept

Answer: C

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

63) A tire retailer guarantees to match all advertised specials of competitors, includes installation and balancing in its quoted price, and specializes in well-known tire brands. This illustrates which element of the retailing concept?

- A) value-driven
- B) customer service
- C) competitive intelligence
- D) goal orientation

Answer: A

Difficulty: Moderate

Skill: Applied/Comprehensive/Integrative

64) A major disadvantage of the retailing concept as applied to the development of a retail strategy is that it does not focus on \_\_\_\_\_.

- A) the development of a coordinated strategy
- B) a firm's competitive advantages
- C) specific objectives such as market share or return on sales
- D) the satisfaction of a firm's target market

Answer: B

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

65) A retailer's focusing on store atmosphere, customer service, and exceeding a consumer's expectations is concerned with \_\_\_\_\_.

- A) the total retail experience
- B) employee empowerment
- C) relationship retailing
- D) a value orientation

Answer: A

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

66) Which of the following is not an important characteristic of relationship retailing?

- A) the continuous monitoring of customer satisfaction
- B) the development and maintenance of a database on all customers
- C) the seeking of long-term bonds with existing customers
- D) the continuous seeking of new customers to replace lost customers

Answer: D

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

67) The use of customer loyalty programs by a hotel chain that grants rewards, such as room upgrades and free rooms to loyal customers, is an important part of \_\_\_\_\_.

- A) the total retail experience
- B) relationship retailing
- C) customer service
- D) the retailing concept

Answer: B

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

68) Which retail strategy focuses on existing customers?

- A) the retail concept
- B) the functional approach to retailing
- C) relationship retailing
- D) transactional retailing

Answer: C

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

69) The functional orientation to the study of retailing stresses \_\_\_\_\_.

- A) retail activities
- B) retail planning
- C) adaptation of retail strategy to match the retail environment
- D) opportunities and constraints in decision making

Answer: A

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

70) The strategic approach to the study of retailing stresses \_\_\_\_\_.

- A) retail institutions
- B) retail profits
- C) legal issues
- D) retail planning

Answer: D

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

71) Retailing is an intermediate stage in the channel of distribution.

Answer: FALSE

Difficulty: Moderate

Skill: Terminology/Concept

72) Mail and telephone orders, direct selling, and vending machine sales are not part of retailing.

Answer: FALSE

Difficulty: Challenging

Skill: Terminology/Concept

73) The largest retailer in the United States (in terms of sales) is Sears Holding.

Answer: FALSE

Difficulty: Moderate

Skill: Terminology/Concept

74) A retailer uses multiple points of contact in omnichannel retailing.

Answer: TRUE

Difficulty: Moderate

Skill: Terminology/Concept

75) Through the retail concept, the retailer bridges the gap between the needs of manufacturers and customers.

Answer: FALSE

Difficulty: Challenging

Skill: Terminology/Concept

76) Through the sorting process, a retailer collects an assortment of goods and services from various suppliers and offers them to customers in small quantities.

Answer: TRUE

Difficulty: Challenging

Skill: Terminology/Concept

77) Retailers and their suppliers have common viewpoints relating to channel control, the intensity of distribution, and the setting of final retail prices.

Answer: FALSE

Difficulty: Challenging

Skill: Terminology/Concept



78) Channel relations are generally smoothest when intensive distribution is used.

Answer: FALSE

Difficulty: Moderate

Skill: Terminology/Concept

79) Generally, a manufacturer can maximize its long-run sales potential through the use of intensive distribution.

Answer: TRUE

Difficulty: Moderate

Skill: Terminology/Concept

80) Retailers seek to increase impulse purchases through point-of-purchase displays and attractive store layouts.

Answer: TRUE

Difficulty: Moderate

Skill: Terminology/Concept

81) The retailing concept is comprised of customer orientation, coordinated effort, value- driven, and goal orientation.

Answer: TRUE

Difficulty: Moderate

Skill: Terminology/Concept

82) A retailer's customer service strategy includes both tangible and intangible elements.

Answer: TRUE

Difficulty: Challenging

Skill: Terminology/Concept

83) A customer's satisfaction with a retailer's customer service depends on expectations and past experience.

Answer: TRUE

Difficulty: Moderate

Skill: Terminology/Concept

84) Relationship retailing focuses on the need for continuous attraction of new customers.

Answer: FALSE

Difficulty: Moderate

Skill: Terminology/Concept

85) An institutional approach to the study of retailing concentrates on the activities that retailers must perform.

Answer: FALSE

Difficulty: Moderate

Skill: Terminology/Concept

86) Manufacturers, wholesalers, and importers perform retail activities when they sell goods and services to final consumers.

Answer: TRUE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

87) Retailers purchase goods in large quantities and sell them in small quantities. This represents an important aspect of the retailing concept.

Answer: FALSE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

88) A retailer can appeal to diverse target markets through omnichannel retailing.

Answer: TRUE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

89) A retailer that uses a integrates store, Web, mobile and laptop contact points engages in omnichannel channel retailing.

Answer: TRUE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

90) The sorting process allows manufacturers to specialize in a narrow product line, while allowing final consumers to have one-stop shopping.

Answer: TRUE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

91) While close cooperation between manufacturers and retailers is fostered in intensive distribution, this form of distribution generally does not allow a manufacturer to achieve maximum sales for a product.

Answer: FALSE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

92) Exclusive distribution decreases price competition among retailers.

Answer: TRUE

Difficulty: Moderate

Skill: Applied/Comprehensive/Integrative

93) Retailer support for a manufacturer is greatest in exclusive distribution.

Answer: TRUE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

94) Channel conflict is minimized in intensive distribution.

Answer: FALSE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

95) Manufacturers and retailers have a closer partnership in the marketing of goods and services in selective distribution than in exclusive distribution.

Answer: FALSE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

96) The placement of in-store displays in high-traffic areas is designed to increase impulse purchases.

Answer: TRUE

Difficulty: Moderate

Skill: Applied/Comprehensive/Integrative

97) Only large firms can successfully utilize a retail strategy.

Answer: FALSE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

98) Store atmosphere, retail image, and customer service are aspects of the total retail experience.

Answer: TRUE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

99) A focus on long-run customer satisfaction is an important component of relationship retailing.

Answer: TRUE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

100) The underlying principle of a strategic approach to the study of retailing is that a retail firm needs to plan and revise its plans continually in order to adapt to a changing environment.

Answer: TRUE

Difficulty: Challenging

Skill: Applied/Comprehensive/Integrative

101) Describe how a manufacturer and a wholesaler can each engage in retailing activity.

Difficulty: Moderate

102) Evaluate the implications of the sorting process from the perspectives of the manufacturer, the retailer, and the consumer.

Difficulty: Moderate

103) Identify the major pros and cons of the use omnichannel retailing by a clothing retailer that sells designer apparel through both in-store and Web-based outlets.

Difficulty: Challenging

104) Describe the divergent viewpoints of retailers and their suppliers with respect to competition in the marketplace, product image, and distribution rights.

Difficulty: Moderate

105) a. Under what circumstances should a manufacturer utilize exclusive distribution? Explain your answer.

b. Under what circumstances should a manufacturer utilize intensive distribution? Explain your answer.

Difficulty: Challenging

106) a. Describe the special characteristics of retailing.

b. What are the special problems and opportunities that retailers face because of these characteristics?

Difficulty: Moderate

107) Apply the six steps in strategic planning to your college/university store.

Difficulty: Challenging

108) Describe how Home Depot applies the retailing concept.

Difficulty: Challenging

109) Describe the implications of the retailing concept with regard to target market selection, the use of marketing research, internal financial reporting systems, the role of planning, and employee incentives.

Difficulty: Challenging

110) Develop training program guidelines to increase the level of customer service in Best Buy store location.

Difficulty: Challenging

111) Develop a checklist to determine if a major department store chain practices relationship retailing.

Difficulty: Challenging

112) Distinguish among institutional, functional, and strategic approaches to the study of retailing.

Difficulty: Moderate